

C/015/018 Incoming
OK



United States Department of the Interior

OFFICE OF SURFACE MINING
Reclamation and Enforcement
Western Region Office
1999 Broadway, Suite 3320
Denver, CO 80202-3050



June 6, 2011

RECEIVED

JUN 09 2011

DIV. OF OIL, GAS & MINING

Dear Sir/Madam,

Enclosed for your records is a copy of OSM's inspection report for the 9th East Portal Phase III Bond Release Inspection conducted on May 17, 2011.

If you have any questions regarding this report, please contact Elizabeth Shaeffer, Environmental Protection Specialist, Denver Field Division, at (303) 293-5025.

Sincerely,

Acting
Joseph O'Walkey

Kenneth Walker, Chief
Denver Field Division

Attachment: Copy of OSM inspection report



U. S. DEPT. OF THE INTERIOR

OFFICE OF SURFACE MINING

Mine Site Evaluation

State Program



1. Person/Permittee ENERGY WEST MINING		9. Permit Number UT-015-018		10. Permit Type PP	
2. Address P. O. BOX 310		11. Field Visit Date 05/17/2011 <small>mm - dd - yyyy</small>		12. Purpose OB3	
3. City HUNTINGTON		4. State UT		13. SRA Present Y	
5. Zip Code 84528		6. Phone Number (435) 687 - 4712		14. Permit Status A	
7. Operator Name (if different than Permittee) ENERGY WEST MINING CO.		15. Site Status AP		16. Facility Type BDEFG	
8. Mine Name DEER CREEK MINE		17. OSM Office # 140		18. CCID # 	
		19. Land Code SF		20. M.S.H.A. ID # 42-00121	
		21. State Code UT		22. County Name EMERY	
		23. AVS Permittee Entity ID Number 		24. State Office 	
25. Hours 2.00 a. Permit Review 2.00 b. Site Visit Time 15.00 c. Travel Time 3.00 d. Report Writing		26. Signature Block Signature Elizabeth Shaeffer ID # 377 Printed Name Date: 06/02/2011		27. Reviewing Official: Signature Review Date: 6/6/2011 <small>mm - dd - yyyy</small> Is Supplemental MSE Page Used Y?N <input checked="" type="checkbox"/>	
Permit Type - Item 10 IP = Interim Program, PP = Permanent Program, NP = No Permit					
Purpose Type Codes - Item 12 Oxx... Oversight Rfx... Reclamation Fees CCR... Citizen Compliant Referral (non site) Axx... Assistance Fxx... Federal Actions CC... Citizen Complaint (initial site visit) CCF... Citizen Complaint Follow-up					
Joint Inspection - Item 13 A joint inspection is when a state inspector accompanies an OSM inspector any time during the review of the mine site.					
Permit Status - Item 14 A... Active: Coal mining and reclamation activities occurring or permitted but not yet disturbed. IN... Inactive (Permanent Program Permit): Phase II completed or Temporary Cessation of Operations. (Interim Program Permit) Coal mining completed and reclamation activities initiated BR... Reclamation completed and State Regulatory Authority (RA) has released all of the bond (Phase III Release.) AB... Abandoned: All surface and underground coal mining activities have ceased and operator has left the site without completing reclamation as defined in 30 CFR 840.11(g) AB1... Bond Forfeiture: Bond forfeiture officially in process or completed, and reclamation in progress or not yet commenced. AB2... Partially Reclaimed Forfeiture: Forfeited site where all bonds have been used to reclaim site, but site not reclaimed to Program standards. AB3... Reclaimed Forfeiture: Forfeited site that has been reclaimed to Program standards. NA... Not Applicable: When site is unpermitted.					
Site Status Codes - Item 15 ND... No Disturbance: No coal mining and reclamation operations have been started. EX... Coal Exploration: Coal exploration operations have started and where coal mining operations have not begun. AP... Active Coal Producing: Coal surface mining activities are occurring AN... Active Non-Producing: Active non-producing facility such as tipple or preparation plant. NM... No Mining: The Permit Status is active, site is not in Temporary Cessation, no surface coal mining activity, and site not regraded. MC... Mining Complete: No mining activity on site, site regraded and awaiting phase bond release. TC... Temporary Cessation: The RA has granted cessation of mining pursuant to 30 CFR 816/817.131(b). P1... Phase I Release: At least Phase I bond release granted for entire permitted area. For interim permits, partial bond release. P2... Phase II Release: At least Phase II bond release for the entire permitted area. P3... Phase III Release: Reclamation completed and the RA has released all bond. NS... Non-Site Visit: Status of site not determined. FP... Forfeiture Pending: The RA is pursuing actions to revoke the permit, collect the performance bond(s), and/or reclamation of forfeited site is in progress. FR... Forfeited and Reclaimed: Forfeiture reclamation completed. FO... Abandoned Site: Abandoned site that is permitted but there is no bond. WC... Wildcat: Coal mining and reclamation operations have or are taking place and the activity is not covered by the required permits from the RA.					
Facility Type Codes - Item 16 A... Surface D... Ancillary (Haulroad, Conveyor, and/or Rails) H... Exploration Permits L... Remining site permitted under 30CFR785.25 B... Underground E... Refuse and/or Impoundment I... Notice of Intent to Explore C... Preparation Plant G... Stockpiles J... Exempt 16 and 2/3 K... Government Financed Construction Exemption					
Small Business Regulatory Enforcement Fairness Act (SBREFA) Your Comments Are Important The Small Business and Agriculture Regulatory Enforcement Ombudsman and 10 Regional Fairness Boards were established to receive comments from small businesses about Federal agency enforcement actions. The Ombudsman will annually evaluate the enforcement activities and rate each agency's responsiveness to small business. If you are a small business (a business with 500 or fewer employees including those of affiliates) and wish to comment on the enforcement or compliance activities of OSM, call 1-888-REG-FAIR (1-888-734-3247).					
Page 1 of Revised October 1, 2010					

U. S. DEPT. OF THE INTERIOR OFFICE OF SURFACE MINING

Mine Site Evaluation

State Program

Permittee/
Person **ENERGY WEST MINING**

Permit
Number **UT-015-018**

Field Visit
Date **05/17/2011**

Continuation Page

28. Performance Standard Categories

Codes: 1=Compliance, 2=Noncompliance, 3=Not Planned, 4=Not Started, 5=Noncompliance Identified Elsewhere, 6=Previously Cited

A. Administrative 1. ___ Mining within Valid Permit 2. ___ Mining within Bonded Area 3. ___ Terms & Conditions of Permit 4. ___ Liability Insurance 5. ___ Ownership and Control 6. ___ Temporary Cessation 7. ___ AML Rec. Fees -- Non-Respondent 8. ___ AML Rec. Fees -- Failure to Pay B. Hydrologic Balance 1. <u>1</u> Drainage Control 2. ___ Inspections & Certifications 3. ___ Siltation Structures 4. ___ Discharge Structures 5. ___ Diversions 6. ___ Effluent Limits 7. ___ Ground Water Monitoring 8. ___ Surface Water Monitoring 9. ___ Drainage -- Acid-Toxic Materials 10. ___ Impoundments 11. ___ Stream Buffer Zones C. Topsoil & Subsoil 1. ___ Removal 2. ___ Substitute Materials 3. ___ Storage and Protection 4. <u>1</u> Redistribution	D. Backfilling & Grading 1. <u>1</u> Exposed Openings 2. ___ Contemporaneous Reclamation 3. <u>1</u> Approximate Original Contour 4. ___ Highwall Elimination 5. <u>1</u> Steep Slopes (includes downslope) 6. ___ Handling of Acid & Toxic Materials 7. <u>1</u> Stabilization (rills and gullies) E. Excess Spoil Disposal 1. ___ Placement 2. ___ Drainage Control 3. ___ Surface Stabilization 4. ___ Inspections & Certifications F. Coal Mine Waste (Refuse Piles/Impoundments) 1. ___ Drainage Control 2. ___ Surface Stabilization 3. ___ Placement 4. ___ Inspections and Certifications 5. ___ Impounding Structures G. Use Of Explosives 1. ___ Blaster Certification 2. ___ Distance Prohibitions 3. ___ Blast Survey/Schedule 4. ___ Warnings & Records 5. ___ Control of Adverse Effects	H. Subsidence Control Plan I. Roads 1. ___ Road Construction 2. ___ Certification 3. ___ Drainage 4. ___ Surfacing and Maintenance 5. ___ Reclamation J. Signs & Markers 1. <u>1</u> Signs 2. <u>1</u> Markers K. Distance Prohibitions L. Revegetation 1. <u>1</u> Vegetative Cover 2. <u>1</u> Timing M. Postmining Land Use N. Other
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General
Category
Performance

___ 1) _____
 ___ 2) _____
 ___ 3) _____

Performance Standard Categories 30 CFR Counterparts

A. Administrative		E. Excess Spoil Disposal	(816/817.71-74)
1. Valid Permit	773.11	1. Placement	71(e)
2. Mining within Bonded Area	773.11	2. Drainage Control	71(f)
3. Terms & Conditions of Permit	773.17	3. Surface Stabilization	71(g)
4. Liability Insurance	800.60	4. Inspections & Certifications	71(h)
5. Ownership and Control	778.13	F. Coal Mine Waste (Refuse Piles/Impoundments)	816/817.81-84
6. Temporary Cessation	842.11(e) & 816/817.131	1. Drainage Control	83(a)
7. AML Rec. Fees -- Non-Respondent	870.15(b)	2. Surface Stabilization	83(b)
8. AML Rec. Fees -- Failure to Pay	870.15(a)	3. Placement	83(c)
B. Hydrologic Balance	(816/817.41-57)	4. Inspections and Certifications	83(d)
1. Drainage Control	45	5. Impounding Structures	84
2. Inspections & Certifications	49(a)(10)	G. Use of Explosives	(816/817.61-68)
3. Siltation Structures	46	1. Blaster Certification	61(c)
4. Discharge Structures	47	2. Distance Prohibitions	61(d)
5. Diversions	43	3. Blast Survey/Schedule	62-64
6. Effluent Limits	42	4. Warnings & Records	66 & 68
7. Ground Water Monitoring	41(c)	5. Control of Adverse Effects	67
8. Surface Water Monitoring	41(e)	H. Subsidence Control Plan	(817.121-122)
9. Drainage--Acid - Toxic Materials	41(f)	I. Roads	(816/817.150-151)
10. Impoundments	49	1. Road Construction	150(c)
11. Stream Buffer Zones	57	2. Certification	151(a)
C. Topsoil & Subsoil	(816/817.22)	3. Drainage	150(b)-151(d)
1. Removal	22(a)	4. Surfacing and Maintenance	150(e)-151(d)
2. Substitute Materials	22(c)	5. Reclamation	150(f)
3. Storage and Protection	22(c)	J. Signs & Markers	816/817.11
4. Redistribution	22(d)	1. Signs	11(a),(b),(c)
D. Backfilling & Grading	816/817.95-107	2. Markers	11(a),(b),(d),(e),(f)
1. Exposed Openings	816/817.13, 14, 15, & 823.11 & 21	K. Distance Prohibitions	(761.11)
2. Contemporaneous Reclamation	100	L. Revegetation	(816/817.111-116)
3. Approximate Original Contour	102(a)(1)	1. Vegetative Cover	111 & 116
4. Highwall Elimination	102(a)(2)	2. Timing	113
5. Steep Slopes (includes downslope)	107	M. Postmining Land Use	(816/817.133)
6. Handling of Acid & Toxic Materials	102(c)		
7. Stabilization (rills and gullies)	95(b)		

Deer Creek Mine, Energy West Mining Company
Utah Division of Oil, Gas, and Mining (DOGM) Permit No. UT-015-018
Phase II and III Bond Release Inspection

May 17, 2011

Participants: Daron Haddock, DOGM
James Owen, DOGM
Jim Smith, DOGM
Joe Helfrich, DOGM
Ingrid Campbell, DOGM
Howard Strand, OSM
Elizabeth Shaeffer, OSM, Badge #377
Joe DiBenedetto, USFS
Dennis Oakley, Energy West Mining Company
Kenneth Fleck, Energy West Mining Company

Weather Conditions: low 50's, periodic rain and snow

Background:

By letter dated January 3, 2011, Energy West Mining Company, permittee for the Deer Creek Mine, applied for Phase II and III bond release for approximately 0.6 acres of the 9th East Portal Breakout Site. This site is located on an east-facing slope in the Right Fork of Grimes Wash, immediately adjacent to the surface facilities of the Cottonwood/Wilberg Mine.

There are a total of five (5) reclaimed portals at the 9th East Portal Breakout site. All portals and access are considered pre-SMCRA sites. Two of these portals were developed in the 1920's for wagon operations and went 50- 75 feet into the mountain. The other three portals (referred to as the 9th East Breakout Portals) were developed in 1977 and utilized for intake ventilation purposes until 1990.

Final reclamation of this site commenced in the fall of 1999 and was completed in December, 1999. This reclamation included the portal terrace area and access road. The concrete collars were removed from the 1977 portals, broken up, and used as backfill material. All five portals were backfilled. They were permanently sealed after a baseline survey concluded that adequate spoil material (previously used for berms located in front of the portal area and along the access road) was available on-site to be used as backfill material. This spoil material was removed and replaced using an excavator to create a 2:1 slope.

The current total bond amount held by DOGM is approximately \$4,113,000.00. Energy West is not requesting a reduction in this bond because the site acreage is so small and the bond amount so insignificant.

Inspection:

The group began the inspection at the mine office in Huntington, Utah. Mr. Oakley and Mr. Fleck briefed us on the reclamation efforts regarding this 0.6-acre area and answered questions. We then drove to the 9th East Portal Breakout vicinity and began walking the Wilberg Mine fan road to access the bond release area (see Photo 1).

The slopes were regraded to blend with the natural drainage pattern of the surrounding area. The road was backfilled using on-site material that was previously used for berms located in front of the portal area and along the access road. The road slope and portal area appeared stable (see Photo 3). There is no indication of erosion in this area (see Photo 2).

The site is dominated by rock outcrop, rubble, and shallow soils. Since there was no available topsoil on site, soil tests were performed on disturbed and undisturbed areas as well as coal waste areas. The tests concluded that the materials at the portal area would support vegetative growth.

The vegetation along the reclaimed road was well established (see Photo 4). A track-hoe was used to roughen the disturbed area to create pockmarks, which were designed to capture precipitation, thus aiding infiltration and the establishment of vegetation. The exposed surfaces were initially protected by mixing the soil with hay mulch. The group identified sagebrush, Pacific aster, fourwing saltbrush, shadscale, rabbitbrush, and thickspike wheatgrass at the site. Vegetative sampling was conducted in fall of 2008 and 2009 by Mt. Nebo Scientific, Inc. of Springville, Utah. Additionally, vegetation monitoring has occurred for several years following reclamation. All vegetation complies with Utah Coal Regulations at R645-301-357 (Extended Responsibility Period).

The post mining land use for this area is "wildlife habitat". The reclaimed area and its successful vegetative stand support this post mining land use.

Inspection Photographs:



Photo 1 – Beginning of reclaimed road heading towards portals



Photo 2 – At reclaimed portal area looking down-valley



Photo 3 – An example of a reclaimed portal



Photo 4 – Well established vegetation in reclaimed portal area